

July 27, 2009

*A clarion is a medieval trumpet that had clear, shrill tones. Trumpets were often used to get people's attention when making announcements. We are also using "clarion" in the context of making announcements, as well as being thought-provoking when sharing our information and opinions with those people who are interested in new investment ideas.*

## for your Information

### WE WANT YOUR INPUT!

We are asking our Subscribers to give us suggestions for companies they would like to have us cover under our two specialized research report formats: *StockPotentials* and **Technicalities**.

Reports on these companies are not issuer-sponsored. They have been selected by the analyst on the belief they will be of interest to investors.

Reports in the *StockPotentials* category are generally written on companies that have interesting prospects, good share price appreciation potential, but insufficient or nil research coverage.

Reports in the **Technicalities** category are written on large-cap companies and have a technical perspective.

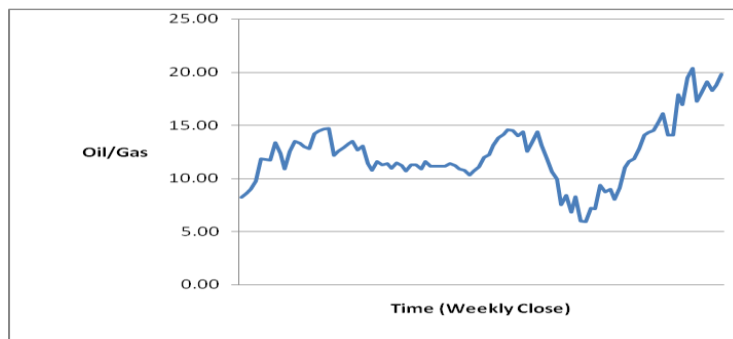
If there are any companies on which you would like eResearch to write about, please let us know.

Send your suggestions to Bob Weir, Managing Director, Research Services:  
[bweir@ereseach.ca](mailto:bweir@ereseach.ca).

## Topic: Oil Versus Natural Gas

We continue to track closely the price of crude oil versus that of natural gas. Our last look at the correlation was in our June 22, 2009 Clarion. So, five weeks later, has anything changed?

We stated then that, "Thus, either oil is significantly over-priced, or natural gas is significantly under-priced, or it is a combination of the two." We didn't then and we don't now, believe that oil is over-priced. Our opinion was based on the ratio of oil to natural gas being out-of-whack, being at the time, 17.22:1 and down from a multi-year high of 20.35:1. Our standard benchmark is a ratio of 10:1. Since May 2007, the average is 12.33:1. The latest figure, as of July 24, 2009, is 19.78:1, as shown in the graph.



We postulated back in June that the price of crude oil would trade between US\$60-\$80/bbl through to the end of the year. That still looks good to us. Thus, if we expect crude oil to maintain or increase in price then, to revert to the norm of 10:1, the price of natural gas has to rise, and rise a lot. Typically, natural gas shows strength in the July-November period. If the ratio returns to the last two-year average (12.33:1) then, using the mid-point of our expected range for oil, i.e., US\$70.00/bbl, the price of natural gas has to rise to US\$5.68/mmbtu. It is currently \$3.37/mmbtu.

If you are bullish on natural gas, the Horizons BetaPro NYMEX Natural Gas Bull+ ETF (TSX:HNU) is an excellent way to monitor the volatility and recovery potential of natural gas, regardless of what the price of oil does.

**Bob Weir**

Bob Weir, B.Sc., B.Comm., CFA  
Managing Director, Research Services

## Quick Facts

### Three-Mo. Chart (SEE)



Source: [www.bigcharts.com](http://www.bigcharts.com)

**Closing Price  
 (July 24/09):  
 \$0.50**

**52-Week High-Low:  
 \$3.00 - \$0.36**

**Average Daily Volume:  
 50-day: 8,100  
 200-day: 19,400**

**Shares Outstanding:  
 12.1 million**

**Market Capitalization:  
 \$6.05 million**

**Book Value Per Share:  
 2007: \$0.46  
 2008: \$0.55  
 2009: \$0.65 (to Mar/09)  
 2009: \$0.70E**

**Fiscal Year-End:  
 December 31**

**Symbol:  
 TSX-V: SEE**

## Stock-of-the-Week

### SeaMiles Limited (SEE: TSX-V)

SeaMiles Limited is a cruise-loyalty provider which owns and operates a cruise-based loyalty program in both the United States and Canada through its “SeaMiles” program. The Company recognizes and rewards cruise passengers, through multiple earning opportunities, with SeaMiles that can be redeemed on “Any cruise line...any time. No restrictions! No blackouts! No fees!”

The Company’s core business is its SeaMiles credit-card loyalty program, which provides its commercial partners with loyalty marketing services, and offers its members the ability to accumulate SeaMiles through its partner network. Accumulated SeaMiles may be redeemed for cruise-travel rewards from Solutions at Sea and other redemption partners.

The average annualized growth of the North American cruise industry from 1980 to the present has been 7.4%, according to the Cruise Lines International Association (CLIA). This growth was attained in a period that encompassed a number of economic downturns as well as international crises.

In 2008, an estimated 13.2 million people chose a cruise for holiday travel, up from 12.6 million in 2007, or an increase of 5.1%. Annual passenger volume has increased 79% in the past eight years (CLIA member-line passenger volumes in 2000 were 7.2 million). However, 2009 represents an uncertain environment, for industry and consumers alike. We believe SeaMiles will be affected by the recession to some degree, but Canadians and Americans who live in the northern part of North America are expected to continue to take winter vacations. The SeaMiles program offers enticing holidays to these vacationers.

The Company’s key competitive strengths are: (a) strategic partnerships with major banks which support their Visa and MasterCard loyalty card programs; and (b) strategic partnerships being entered into with merchant groups.

There are, however, two major competitors in Canada: (1) Aeroplan, which has partnerships with nine different cruise lines as well as Expedia CruiseShipCentres; and (2) Air Miles, which has partnerships with a limited number of cruise lines, Expedia.ca, and TravelPlus.

###

**New eResearch  
Material Since  
July 13, 2009:**

**1. Initiating Reports**

[SeaMiles Limited](#)  
07/23/2009

[C-COM Satellite  
Systems Inc.](#)  
7/20/2009

[Total Telcom Inc..](#)  
07/17/2009

[Enbridge Inc.](#)  
07/15/2009

**2. Update Reports  
and Bulletins**

[Alexandria Minerals  
Corporation](#)  
07/23/2009

[CanaDream  
Corporation](#)  
07/21/2009

[Synergex  
Corporation](#)  
07/15/2009

**3. Analyst Articles**

[StockResearchPortal](#)  
07/14/2009

In addition to these reports and articles, our full complement of research is available at [www.eresearch.ca](http://www.eresearch.ca)

**BriefCase**

*NewsBytes from July 20 – July 24, 2009*

Additional information on the companies featured in NewsBytes may be found at [www.sedar.com](http://www.sedar.com), and at [www.eresearch.ca](http://www.eresearch.ca). For the latest eResearch publications, see sidebar opposite.

---

**Adex Mining Inc. (\$0.10 - July 20, 2009; ADE-TSX-V) ....** Adex Mining has published a progress report on metallurgical test programs carried out in connection with the Company's flagship Mount Pleasant mine property in Charlotte County, New Brunswick. The results of the test programs provide Adex with information for the development of an optimal commercial extraction and recovery process for the principal metals hosted at Mount Pleasant. The Mount Pleasant multi-metal project is host to promising tungsten-molybdenum and tin-indium-zinc-copper mineralization.

**More on Mount Pleasant:** Adex separately provided an update (July 23, 2009) on the Company's development plan for the North Zone at the Mount Pleasant mine property. The development plan includes bulk sampling, hydrometallurgical flow-sheet development for tin and indium, development of a waste-water treatment process and a mine development plan. These activities will support a North Zone scoping study which is scheduled for completion in late 2009. The scoping study, waste-water treatment system design, collection of the bulk samples for bench and pilot-plant work, and re-sampling for indium analysis of historical core are currently underway.

---

**Globex Mining Enterprises Inc. (\$1.10 - July 21, 2009; GMX-TSX) ....** Globex Mining Enterprises has published some additional information on the progress at the Company's Deloro Township (Ontario) magnesite-talc project. The Company has spent over \$1 million on metallurgical test work and drilling in a joint venture with the hydrometallic consulting firm Drinkard Metalox Inc. to implement that firm's proprietary processing technology at the Deloro property.

---

**Quorum Information Technologies Inc. (\$0.035 - July 22, 2009; QIS-TSX-V) ....** Quorum has completed the 11 integration points between General Motors' Parts Workbench and XSELLERATOR™, Quorum's dealership management system. The 11 integration points save dealerships time and improve their ability to service customers.

---

**Sage Gold Inc. (\$0.065 - July 23, 2009; SGX-TSX-V) ....** Sage Gold Inc. and Consolidated Puma Minerals Corp. announced that Puma's shareholders have approved the proposed plan of arrangement between Puma and Sage. The closing of the plan of arrangement is expected to take place on or about August 6, 2009.

## Opportunity Knocks

These are challenging times, and we at eResearch are not immune to what is happening all around us. But, we are adapting to this difficult operating environment. We are fortunate in recently adding a new face to our Business Development Group. However, we are interested in adding one more to the team. Anyone with a penchant for sales, please contact us.

Also, having recently become a Limited Market Dealer, our Capital Services division requires someone with financing experience to lead our efforts.

If you are interested in either of the above, I can be reached at [bweir@eresearch.ca](mailto:bweir@eresearch.ca).

"Research is the  
bedrock underpinning  
all capital markets"

## Monthly Top Ten

The top ten downloads from [www.eresearch.ca](http://www.eresearch.ca) since July 1, 2009:

1. Four-Week Performance
2. Weekly Clarion
3. StockResearchPortal Mining Article Part 4, July 14
4. C-COM Satellite Systems, *StockPotentials*, July 20
5. StockResearchPortal, Bi-Weekly Newsletter, July 21
6. StockResearchPortal Mining Article Part 3, July 2
7. Enbridge Inc., Technicalities, July 15
8. Total Telcom Inc., *StockPotentials*, July 17
9. Alexandria Minerals Corporation, Bulletin, July 23
10. Synergex Corporation, Commentary, July 15

**eResearch is registered with the Ontario Securities Commission as a Securities Adviser and as a Limited Market Dealer.**